

It is common to prepare an interim agreement such as a memorandum of understanding. Typically, this is a brief statement of parties' intentions, and a summary of the timing and ground rules for the rest of the negotiations. A memorandum of understanding can also protect the confidentiality of business information and prohibit either company from entering into parallel negotiations with competitors.

The partnership agreement itself should anticipate as many potential problems as possible. The success or failure of any partnership depends on meeting the objectives of both sides. To develop a stable arrangement, the parties need to be clear not only about their own goals but also about those of their potential partner. This does not mean that the parties must have the same goals. It is enough, and sometimes preferable, that their goals are complementary and fit into an overall business strategy.

No matter how careful the negotiations, it is unlikely that every contingency can be provided for in the initial agreement. Mexico's business environment is changing rapidly and the contract will have to evolve as conditions change. A flexible agreement requires flexible partners, and both must be open to ongoing revisions. In successful partnerships, the negotiations never really end.

Identifying the right partner and negotiating the right agreement requires a substantial investment of time and resources. But it will be repaid many times. This effort will help to avoid delays, misunderstandings or even the breakup of the partnership. And it will set the stage for a viable and balanced relationship that can help both partners to meet their corporate objectives.